

**MINUTES  
REGULAR MEETING  
UTILITY SERVICE BOARD  
NOVEMBER 20, 2017**

The Regular Meeting of the Utility Service Board of the City of Jasper, Indiana, was held in the Council Chambers of City Hall in Jasper at 7:00 PM on Monday, November 20, 2017.

The meeting was called to order by Chairman Rick Stradtner.

**UPON CALL OF THE ROLL, THE FOLLOWING WERE PRESENT:**

Rick Stradtner – Chairman  
Keith Masterson – Vice Chairman  
Adam Auffart – Secretary  
Wayne Schuetter – Electric Commissioner  
Roger Seng – Water Commissioner  
Tara Eckman – Wastewater Commissioner

**ALSO PRESENT:**

Jerry Schitter – Electric Distribution Manager  
Tim Doersam – Gas & Water Manager  
Ed Hollinden – Wastewater Manager  
Bud Hauersperger- General Manager  
Renee Kabrick – City Attorney

**ABSENT:**

Michael Kern – Gas Commissioner  
Ashley Kiefer – Office Manager

**PLEDGE OF ALLEGIANCE** (DVD-00:52)

Chairman Rick Stradtner led the Pledge of Allegiance.

**WATER DEPARTMENT - QUOTE OPENING: CHEMICAL BIDS FOR 2018** (DVD-01:19)

Bud Hauersperger opened the quotes and read them aloud. Quotes for various items were requested from the following companies:

1. Brenntag Mid South
2. Chemical Resources
3. Hawkins
4. Mississippi Lime
5. Sal Chemical – No bid received
6. Univar USA, Inc.
7. USALCO – No bid received
8. Water Solutions

Not all companies submitted bids on every item included in the request.

All quotes included a Non-Collusion Affidavit, an Indiana Legal Employment Declaration, a Nepotism Policy Affirmation, and an Affidavit Regarding Non-responsibility.

Tim Doersam asked for the Board's permission to take the quotes under advisement and to report back to the Board at the December Utility Service Board meeting.

Wayne Schuetter made a motion for Doersam to take the quotes under advisement and for action to be taken at the December Utility Service Board meeting. Adam Auffart seconded the motion. Motion approved 6-0.

**WASTEWATER DEPARTMENT- QUOTE OPENING: LOADER BACKHOE** (DVD-15:08)

Hauersperger opened the quotes and read them aloud as follows:

1. Diamond Equipment	\$89,300.00
Evansville, IN	(-) <u>71,000.00</u> (trade-in)
	\$18,300.00
2. ERB Equipment	\$90,000.00
Evansville, IN	(-) <u>62,000.00</u> (trade-in)
	\$28,000.00
3. Whayne Supply	\$96,975.00
Evansville, IN	(-) <u>68,400.00</u> (trade-in)
	\$28,575.00

All quotes included a Non-Collusion Affidavit, an Indiana Legal Employment Declaration, a Nepotism Policy Affirmation, and an Affidavit Regarding Non-responsibility.

Chairman Stradtner stated that the 2017 Capital Expenditure amount for the loader backhoe was \$18,000.

Ed Hollinden asked for the Board's permission to purchase the loader backhoe from Diamond Equipment, the low quote, in the amount of \$18,300, pending review of specifications.

Adam Auffart made a motion to approve the purchase of the loader backhoe from Diamond Equipment for \$18,300, pending review of specifications. Keith Masterson seconded the motion. Motion approved, 6-0.

**APPROVAL OF MINUTES: OCTOBER 16, REGULAR MEETING** (DVD-19:30)

Chairman Rick Stradtner presented the minutes from the October 16, 2017 Regular Meeting, and there being no corrections or amendments, Stradtner asked for a motion to approve the minutes. Wayne Schuetter made a motion to approve the minutes of the meeting as presented. Tara Eckman seconded the motion. Motion approved, 6-0.

**ALL UTILITIES – PETITION TO VACATE PUBLIC RIGHTS OF WAY – CITY OF JASPER – BETWEEN JACKSON & MILL STREETS, NORTH OF 1<sup>ST</sup> & SOUTH OF 2<sup>ND</sup> STREETS** (DVD-20:38)

Chad Hurm, City of Jasper Engineer, on behalf of City of Jasper, requested to vacate public rights of way between Jackson and Mill Street, north of 1<sup>st</sup> and south of 2<sup>nd</sup> Streets. Hurm stated that the street was deemed as unnecessary for the intention of a streets once the River Centre Public Utility and Drainage easement was platted. Hurm stated that this will become a parking lot and will still be the property of the City of Jasper. He also stated that easements will be provided for areas that will be vacated, due to city utilities in the streets. All utility managers approved the vacation, due to the easements being provided.

Wayne Schuetter made a motion to recommend to the Common Council vacation of Public Rights of Way between Jackson and Mill Streets, north of 1<sup>st</sup> and south of 2<sup>nd</sup> Streets at the request of the City of Jasper. Roger Seng seconded the motion. Motion approved, 6-0.

**ALL UTILITIES - PRESENTATION OF 2018 CAPITAL EXPENDITURE PLAN DRAFTS & COMMITTEE MEETING DATES:**

**WATER & GAS – TUESDAY, DECEMBER 12<sup>TH</sup> AT 8:00 AM**

**ELECTRIC & WASTEWATER – THURSDAY DECEMBER 14<sup>TH</sup> AT 8:00 AM** (DVD-24:53)

Chairman Stradtner stated the 2018 Capital Expenditure Plans for all Utility Departments were passed out to the Board members for review. Stradtner informed the Board of the upcoming meetings scheduled to discuss the 2018 Capital Expenditure Plans. The joint Water and Gas

Committee meeting will be held on Tuesday December 12<sup>th</sup> at 8:00AM. The joint Electric and Wastewater Committee meeting will be held on Thursday, December 14<sup>th</sup> at 8:00AM. Both meetings will be held in the Pfaffenweiler Room.

Chairman Stradtner stated that action to approve the 2018 Capital Expenditure Plans will be taken at the December Utility Service Board meeting.

**ELECTRIC PLANNING COMMITTEE REPORT- MEETING HELD ON NOVEMBER 9<sup>TH</sup>. RESOLUTION # USB 2017-8 (DVD-27:40)**

Wayne Schuetter, Chairman of the Electric Planning Committee, stated the Electric Committee did meet on November 9<sup>th</sup>. At the meeting the Committee reviewed the findings of the electric cost of service study.

Schuetter stated that this study was the first Electric cost of service study done since 2007, therefore it has been ten years since the last study.

Schuetter gave a recap of the Electric Planning Committee minutes:

Deen Rogers from HJ Umbaugh began the meeting by explaining that Umbaugh prepared the revenue requirements that Jasper needs to recoup through their rates and compiled all the consumer data. This information was then passed to Utility Financial Solutions (UFS) for them to analyze the actual cost of electric service and to determine if any rate adjustments or structure changes were needed.

Schuetter stated that one of the goals from the study was to carve out our fixed cost from the power charges. Also, to determine that if the Power Plant is sold or demolished, would the rates be affected. Both Umbaugh and UFS said that the sale of the Power Plant would have no significant impact on rates.

Mike Johnson from Utility Financial Solutions then began the explanation on the rate design and changes. Over the course of three years, the rate design will make a shift and will be simplified in all rate classes. The fixed monthly facilities charge will increase over the 3-year period and the variable energy charge (per kWh) will decrease over the 3-year period. For larger demand customers, the demand charge will too, increase over the 3-year period. Also, over the 3-year period the rates will move from a 2-tier energy charge to a single tier.

The average residential customer will see an overall 8.7% decrease in their bill. The average general service small customer will see no overall increase or decrease in their bill. They will simply see their rates move from the energy charge to the monthly facilities charge. The general service demand customers will see their energy charges go down and their monthly facilities charge and demand charge both go up. In year 1, the average demand customer will see an

overall decrease in their bill. In years 2 and 3, the average demand customer will see very little to no change in their bills.

However, those demand customers with good load factors will see their overall bills go down, while those with bad load factors will see their overall bills go up. The City is billed a higher rate by IMPA to cover those high peak periods during the monthly billing period. Those customers with the bad load factors will have to pay more of the higher rate from IMPA. The upside is that these customers have opportunities, if they choose, to improve their load factor, by installing solar panels, more energy efficient equipment, etc. With the demand charge to customers going up, this will give them a bigger incentive to improve their load factor.

These new rates are designed to recoup all the fixed costs associated with providing electric service to each customer rate class by the end of the 3-year period. Of the \$27 million in revenue requirements, approximately 90% is purchased power costs. The remaining 10% are fixed costs.

At tonight's meeting, Schuetter stated that in another three years there will likely be another electric rate study to evaluate how these proposed changes are working overall. Schuetter stated that over the last ten years the Electric department has been upgrading the system and buying large pieces of equipment, therefore the capital expenditure costs were very high. Schuetter stated that the past two years the capital expenditure amounts have decreased, and our electric cost from IMPA are projected to decrease about 6%. Therefore, the Electric Committee feels these proposed rate changes can be implemented.

City street lights and security lights were briefly discussed at the Committee meeting. Adjustments will be made for new LED lighting which is being installed. Questions were raised as to why the Civil City is billed for all street lights within the City electric territory, but street lights in the Dubois REC territory are billed to the Electric Department. Schuetter stated that this needs to be addressed during the Committee meetings in December.

Discussion then continued about when to implement the new rates and structure and if the results of the 21st Century Utilities study would affect the results of this cost of service study. The consensus is that the 21st Century study results will require long-term discussion and changes. Everyone agrees that the changes from the cost of service study should not be delayed.

The Committee decided to recommend the rate and structure changes to the Utility Service Board at tonight's meeting. Assuming the full Utility Service Board and Council approve the rate changes, they could be effective with billings issued after February 1, 2018. Communication will be made with demand customers to fully explain the effects of the new rates and structure.

Schuetter then introduced Resolution USB 2017-8, recommending a schedule of revised rates and charges for the customers of the Municipal Electric Utility of the City of Jasper.

Attorney Kabrick explained the new rates and customer charges in the resolution to the Board.

Tara Eckman made a motion to approve Resolution USB 2017-8, recommending a schedule of revised rates and charges for the customers of the Municipal Electric Utility of the City of Jasper to the Common Council. Adam Auffart seconded the motion. Motion approved, 6-0.

**WATER DEPARTMENT- GAC REPLACEMENT COMPLETED** (DVD-43:26)

Tim Doersam informed the Board that the four filters on the GAC replacement was completed on October 31<sup>st</sup>. Doersam stated that it will be another five years before the filters need to be checked for replacement.

**WATER DEPARTMENT – UPDATE ON CLARIFIER PAINTING PROJECT** (DVD-43:55)

Tim Doersam stated the first clarifier has been painted but some rust spots have been found. The second clarifier is still being painted and should be completed by the first of December. Once the second clarifier is completed, the issues with the rust spots on the first clarifier will be addressed. Doersam said that the third clarifier will not be painted until next spring due to the changing temperatures.

**WATER DEPARTMENT – BEAVER LAKE DRAIN TO BE OPENED DECEMBER 1ST** (DVD-44:57)

Tim Doersam informed the Board that the Beaver Lake drain will be opened on December 1<sup>st</sup>.

**WATER DEPARTMENT – BEAVER DAM INSPECTION COMPLETED** (DVD-45:08)

Tim Doersam informed the Board that the Beaver Dam inspection was completed by Christopher B Burke Engineering, LLC on Friday, November 17<sup>th</sup>. A full report of the inspection will be available in a couple of weeks.

**GAS DEPARTMENT- TETCO GAS HEDGING** (DVD-45:33)

Tim Doersam explained to the Board that he received an opportunity from Tetco for gas hedging. Doersam stated that this is similar to the ANR hedging opportunity that was approved at the last Utility Service Board meeting. Doersam said that we will be combining our gas purchasing with several other Tetco clients, lowering the overall hedge cost. Doersam stated that the proposed agreement would take effect on November 23<sup>rd</sup>.

Attorney Kabrick asked Doersam to get the agreement from Utility Gas Management so she can review it.

Keith Masterson made a motion to approve the gas hedging opportunity from Tetco, contingent upon legal review. Roger Seng seconded the motion. Motion approved, 6-0.

**GAS & WATER DEPARTMENTS- DISTRIBUTION MECHANIC AND FILTER OPERATOR POSITIONS** (DVD-48:45)

Tim Doersam informed the Board that Dave West, Water Filter Operator, will be retiring. Doersam stated that he would like to start the hiring process in December to replace the Filter Operator, but not hire anyone until after the first of the year.

Wayne Schuetter made a motion to give Doersam permission to start the hiring process for a new Filter Operator, due to a retirement. Tara Eckman seconded the motion. Motion approved, 6-0.

Doersam also informed the Board that he would like to start the hiring process for two additional Distribution Mechanics in December. Doersam stated that the two additional positions were added in the 2018 Salary Ordinance, but he needs approval from the Board to start the hiring process for the additional positions. Doersam also stated that he will not hire the Distribution Mechanics until after the first of the year.

Wayne Schuetter made a motion to give Doersam permission to start the hiring process for the two additional Distribution Mechanics. Adam Auffart seconded the motion. Motion approved, 6-0.

**GAS PLANNING COMMITTEE REPORT** (DVD-53:58)

Rick Stradtner, Chairman of the Utility Service Board, stated the Gas Committee did not meet during the past month.

**WATER PLANNING COMMITTEE REPORT** (DVD-54:08)

Roger Seng, Chairman of the Water Planning Committee, stated the Water Committee did not meet during the past month.

**WASTEWATER DEPARTMENT – DRIVEWAYS & PARKING LOTS PAVED** (DVD-54:14)

Ed Hollinden informed the Board that the driveways and parking lots at the Wastewater Department have been paved. Hollinden stated that the invoice was submitted tonight for payment in the amount of \$75,000, which was included in the 2017 Capital Expenditure plan.

**WASTEWATER DEPARTMENT – RESULTS OF SEWER RELINING QUOTE  
OPENING** (DVD-55:27)

Ed Hollinden informed the Board that the low quote from Layne Inliner for \$82,137.75 for sewer relining did meet specifications. Hollinden stated that the engineering department also reviewed the specifications and recommend Layne Inliner. Hollinden asked for the Board's permission to accept the low quote from Layne Inliner for the base bid of \$82,137.75 for sewer relining. Hollinden stated they will use the quoted price per lineal foot until reaching the not-to-exceed \$100,000 amount approved in the 2017 Capital Expenditure Plan.

Wayne Schuetter made a motion to accept the low quote from Layne Inliner for sewer relining in the amount of \$82,137.75, not to exceed \$100,000 for additional lineal footage relining. Roger Seng seconded the motion. Motion approved, 6-0.

**WASTEWATER DEPARTMENT – RESULTS OF LARGE LINE  
CLEANING/INSPECTION QUOTE OPENING** (DVD-56:50)

Ed Hollinden informed the Board that the low quote from Layne Inliner for \$4.50 per lineal foot for large line cleaning/inspection did meet specifications. Hollinden stated that the engineering department did review the specifications. Hollinden also stated that the quote was for a total of approximately \$50,000 of cleaning and inspection.

Hollinden asked the Board for a little tolerance on the total cost, due to circumstances of large line cleaning and inspection. Hollinden asked for the Board's permission to approve the low quote from Layne Inliner for \$4.50 per lineal foot, with an approximate total of \$50,000 for large line cleaning and inspection.

Roger Seng made a motion to approve the quote from Layne Inliner for \$50,000 with a not-to-exceed allowance of a 10% overage for large line cleaning/inspection. Keith Masterson seconded the motion. Motion approved, 6-0.

Chairman Stradtner stated that there were several items on the Wastewater's 2017 Capital Expenditure plan that were under budget this year.

**WASTEWATER DEPARTMENT – PRIMARY CLARIFIER PROJECT COMPLETE**  
(DVD-1:01:07)

Ed Hollinden informed the Board that the primary clarifier project is complete. Both clarifiers are up and running.

**WASTEWATER PLANNING COMMITTEE REPORT** (DVD-1:01:20)

Tara Eckman, Chairman of the Utility Service Board, stated the Committee did not meet during the past month.

**ALL DEPARTMENTS - ASSET DISPOSAL AUTHORIZATION** (DVD-1:01:42)

Bud Hauersperger gave the Board a copy of the 2017 Annual Asset Disposal Authorization to review. A physical inventory is taken each year of the capital assets in all utility facilities. The items on the authorization need to be disposed of, per the Utility Managers. There being no questions, Hauersperger asked for approval from the Board to dispose of the assets listed on the authorization.

Adam Auffart made a motion to approve the Annual Asset Disposal Authorization. Tara Eckman seconded the motion. Motion approved, 6-0.

**FINANCE COMMITTEE REPORT & PRESENTATION OF CLAIM DOCKET** (DVD-)

Adam Auffart reported that the Finance Committee had met tonight and reviewed the claims on the Claim Docket.

The Finance Committee recommended approval of the claims as presented.

Wayne Schuetter made a motion to approve the claims as presented. Keith Masterson seconded the motion. Motion approved, 6-0.

**MAYOR COMMENTS** (DVD-1:05:05)

Mayor Seitz thanked the Electric Department for helping the City of Jasper prepare for the upcoming holiday season by moving and decorating the City tree. Mayor Seitz also thanked the Streicher family for the donation of the tree.

There being no further business to come before the Board, the meeting was adjourned at 8:06PM upon motion by Wayne Schuetter and seconded by Roger Seng. Motion approved, 6-0.

The minutes were hereby approved\_\_\_\_\_ with \_\_\_\_X\_\_\_\_without corrections this 18<sup>th</sup> day of December, 2017.

Attest: \_\_\_\_\_  
Secretary Chairman